

4. Bluegrass's notice sets out a current quarter balance adjustment ("BA") of (2.99) cents per Mcf. The total BA of (5.09) cents per Mcf represents a decrease of 2.15 cents per Mcf from the previous total BA.

5. Bluegrass's GCA is \$5.5662 per Mcf, which is 42.87 cents per Mcf less than the previous rate of \$5.9949.

6. The rates in the Appendix to this Order are fair, just, and reasonable, in the public interest, and should be approved for service rendered by Bluegrass on and after January 1, 2002.

IT IS THEREFORE ORDERED that:

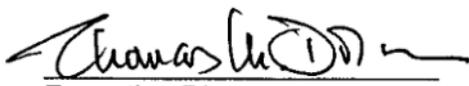
1. The rates in the Appendix, attached hereto and incorporated herein, are approved for service rendered on and after January 1, 2002.

2. Within 20 days of the date of this Order, Bluegrass shall file with this Commission its revised tariffs setting out the rates approved herein.

Done at Frankfort, Kentucky, this 17th day of December, 2001.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 94-433-X DATED DECEMBER, 17, 2001

The following rates and charges are prescribed for the customers served by Bluegrass Gas Sales, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
All Mcf (Minimum Bill)	\$4.6137	\$5.5662	\$10.1799